Statement to Commission Members on the CPR Report on Health and Human Services

By
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Honorable Chairs and commission members, my name is Patricia Diaz. I'm the Policy Director for Latino Coalition for a Healthy California which is a non-profit, public policy and advocacy organization and a major voice for improving and protecting the health of Latinos and all Californians. While many of the issues put forth in the California Performance Review (CPR) report require additional details, we see this as an opportunity to find ways to decrease barriers hinder Latinos from accessing health services, to improve community health, and to decrease and eliminate health disparities.

As you know, California is undergoing a structural budget crisis and expects to face a budget deficit of $10 billion for each of the next two years. While we understand that the premise of the CPR is to cut waste and inefficiencies of government in order to better deliver government services and save money, it is critical that low-income Latinos and other communities of color are not sacrificed to close the $10 billion budget deficit while working out the details on the recommendations.

There are some proposals that LCHC support in concept and we look forward to working with the administration and the legislature on the details of the proposals as they are being developed to ensure that as government services are improved, eligibility standards, benefits, and services are maintained to Latino communities as well. LCHC has provided an attachment that outlines proposals we support in principle, proposals we oppose, and proposals we have concerns with and need more detailed information.

As the details are being developed with the administration, legislature and stakeholders, we need to be mindful of promoting low-income families' access to health services while improving government efficiency. LCHC has created the following guidelines to help in this process.

- **Changes to Health and Human Services requires a more thorough and thoughtful analysis by the impacted state departments, legislature, and stakeholders.** LCHC is calling for an open process in the development of the details that involves representatives from the

administration, legislature, and stakeholders. LCHC is also calling for additional hearings be made available to the public. For a true hearing to gather public input, it is critical that public hearings be made in several different regions to ensure these hearing are made accessible for the low-income population and non-profit organizations representing key constituencies.

- **Low-income families, children, seniors and developmentally disabled must be a priority.** While California will be experiencing a structural budget crisis of $10 billion in the next two years, LCHC calls that government services for low-income families, children and individuals are not sacrificed, in the development of the details, to close the budget deficit.

- **Current eligibility standards, services and benefits must be maintained.** Health and human service programs have a myriad of administrative complexities that effectively serve as a barrier to enrollees and those eligible-yet-not enrolled. The administration should maximize administrative efficiencies that complement increased enrollment, retention and utilization of services and find ways to decrease health disparities and improve community health. Options that would add administrative barriers and/or additional levels of bureaucratic complexity should not be considered. Rather, the administration should prioritize simplification options such as continuous eligibility of adults, eliminating burdensome documentation requirements, such as the elimination of the asset test for adults, and expanded Express Lane functions.

- **Changes to Health and Human Services Programs and Departments should promote recruitment, retention and utilization of services.** Presently there are a variety of bureaucratic hurdles that impede the enrollment and retention of eligibles. Proposed changes to the management, restructuring, and centralization of certain departments should not build more layers of bureaucracy which may result in less cultural and linguistic services and benefits to Latinos.

- **Special populations must be considered when developing the details of the recommendations.** Health and human service programs serve a diverse population with special needs. Proposals must consider the need for culturally and linguistically appropriate services for immigrants and communities of color, continued access to family planning services for women, and access to safety net services for the un- or under-insured population.

- **Sensitivity to the use of technology must be addressed.** When proposing the use of technology consideration must be made regarding a recipient's literacy level, English proficiency, awareness of technology, and privacy issues. Proposals must address how to

resolve these issues to ensure that additional barriers are not created to enrollment, access or utilization of services.

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Support in Principle

1. **Create a state Public Health Officer (HHS #13)**

   LCHC supports the creation of a Public Health Officer to represent the important role of public health within the Health and Human Services agency. Improvements to the structure and function of public health are long overdue. LCHC calls for much more planning needed to design a stronger public health department for the state, and this planning must be broadly representative of the diverse stakeholders statewide and locally that support the public health system.

2. **Make the state's HIV and AIDS reporting systems consistent with each other (HHS #14)**

   LCHC is supportive of the concept, however more detailed information is needed before LCHC can take a formal position. Research indicates that using a confidential name-based approach results in increased access to services, more services being rendered at the time of identification, and the opportunity to create a healthy regimen before the worsening of the health condition. For this proposal to be properly implemented, it must reaffirm the civil right protections of all patients involved in the HIV and AIDS reporting system to reduce potential negative consequences.

3. **Implement a Statewide On-Line Immunization Registry (HHS #16)**

   LCHC supports the creation of a statewide immunization registry. The Latino community experiences a dichotomy of under and over-immunization due to a lack of immunization records on hand by parents and providers. Some providers note that children are immunized two or three time for the same condition because of poor access to records. Any final proposal must contain privacy provisions to ensure that the immigration status and the social security number of the child and/or the parent/guardian is not asked for or listed in the registry. LCHC is interested in working with the administration to design and implement this proposal.

4. **Consolidate licensing and certification functions (HHS #21)**

   LCHC needs more detailed information before taking a formal position. Currently, the clinic licensing process is fraught with delays, inconsistent application of rules, and inadequately trained staff. By creating a single authority, a consolidated licensing unit could resolve many of the barriers to care experienced by community and primary clinics. Furthermore, a consolidated licensing unit could create increased accountability, provide consistent standards and protocols for enforcement and reduce duplication. While LCHC is unable to take a formal position at this time, LCHC supports in principle the reorganization of systems to better serve Latinos and maintain quality of care. LCHC is interested working on the details with the administration on this proposal.

Oppose

5. Streamline oversight requirements for medical surveys and audits of health plans (HHS #23)

LCHC opposes this proposal to avoid and/or dismantle protections afforded to managed care patients through the "streamlining" of oversight requirements for medical surveys and audits of health plans. This CPR proposal raises serious concerns, namely this proposal could eliminate the enforcement of California-specific standards for medical quality and fiscal solvency, including cultural and linguistic competency, timeliness of access, and regulation of specific benefits such as diabetes supplies, contraceptive coverage, and mental health parity relying instead on a national, private body dominated by the industry. Although these provisions would continue in statute, the private accreditation agency would not be able to inspect and/or enforce compliance of the standards set forth in statute.

6. Redirect Medi-Cal Hospital Disproportionate Share (DSH) payments (HHS #29)

LCHC opposes the CPR proposal to redirect Medi-Cal DSH payments from hospitals that are not providing core Medi-Cal services. Eliminating DSH payments to these hospitals reduces access to services for many indigent and underserved communities.

Concerns and Need More Information

7. New Department of Health and Human Services

More information is needed before LCHC can take a formal position. This proposal is very complex and requires a more thorough and thoughtful analysis by the impacted state departments and stakeholders. More detailed information is required to assess how the proposed realignment would change the functions and focus of the current departments that deal with health services. LCHC is concerned that the CPR does not make clear if the all the current functions of the Department of Managed Health Care (DMHC) or the Office of Statewide Health Planning and Development (OSHPD) are preserved in the new Department of Health and Human Services. Second, it is also unclear how the proposal will protect managed care patients given the proposal's elimination of the Office of Patient Advocate. Finally, it is unclear whether the proposed restructuring will be able to provide better services given that the new department will now be responsible for a wide range of services with complex eligibility standards. LCHC is concerned that the proposed management, restructuring, and centralization of certain departments will build more layers of bureaucracy which may result in less cultural and linguistic services and benefits to Latinos.

8. Centralize Medi-Cal, CalWORKs, and Food Stamp eligibility processing at the state level (HHS #1)

While LCHC is supportive of finding ways to use technology to enhance access to health, it is important that new eligibility procedures not negatively impact certain under and uninsured, hard-to-reach and eligible-but-not-enrolled families. Centralizing the eligibility process has the potential to allow patients to apply for Medi-Cal at the point-of-service, expedite the eligibility determination process for many seeking to enroll in Medi-Cal and

create a funding source, albeit inadequate, for providing application assistance. However, the proposal also has the potential to reduce access to critical health and human services due to the complexity of the eligibility rules for each program, undermine enrollment and utilization for immigrant, non-English speaking and low literacy families, and place an additional strain on under-funded community-based organizations. If properly implemented, the new eligibility system would have a lower error rate, reduce the wait period before families are able to access services, eliminate burdensome and unnecessary eligibility questions not required by federal law and increase enrollment and retention of families. While LCHC is unable to take a formal position at this time, LCHC is interested in working with the administration to work out the details of this proposal.

9. Realign the administration of the Health and Human Services Agency (HHS #2)

More information needs to be provided before LCHC can take a formal position on this proposal. However, there are significant concerns raised by this CPR proposal. For instance, the proposal appears to eliminate the existing obligation for counties to serve as the providers of last resort, leaving the uninsured dependent on private emergency rooms that are only required to provide minimal emergency care. While the report says that "a single eligibility standard would be created" under the state, there are not details specifying what that standard would be. Under no circumstances should the statewide standard be lower than what some counties now provide.

10. Use the Electronic Benefits Transfer (EBT) system in the Women, Infants and Children (WIC) program (HHS #11)

Before LCHC can take a formal position on this recommendation, LCHC needs more detailed information on how it will be implemented. LCHC is concerned that the implementation of the new EBT system may negatively impact certain underserved communities. Any final proposal must contain privacy provisions to ensure that documents not required by federal law are not imposed on the new EBT system and that fingerprinting is not involved. If implemented correctly, this proposal could reduce the administrative burden on clinics that are designated WIC providers and improve the health outcomes of the WIC participants.

11. Consolidate the state's Mental Health and Alcohol and Drug Programs (HHS #15)

LCHC needs more detailed information before taking a formal position. The public health model includes a comprehensive approach to services whereby an overlap is often noted between a patient's mental health and their alcohol and drug addictions. The final proposal must include detail information that savings are associated due to the elimination of duplicate administrative services rather than a reduction in services rendered.

12. Obtain durable equipment through a competitive bid process (HHS #25)

LCHC needs more information on how this recommendation will be implemented before taking a formal position. While LCHC supports administrative functions to reduce the price paid for durable equipment, the final proposal must contain assurances that access to these goods will not be reduced. For instance, the proposal must contain a "Plan B" should there be an instance when the single source contract is unable to provide the necessary medical equipment in a timely fashion.

13. Shifting some Medi-Cal costs to the federal Medicare program (HHS #26)

More information is needed before LCHC can take a formal position on this proposal. For instance, LCHC will need to know that shifting costs will not result in more administrative barriers to access care and reduced benefits and services.

14. Automate identification of other health coverage for Medi-Cal beneficiaries (HHS #27)

LCHC is concerned that the proposal to discontinue Medi-Cal managed care coverage for beneficiaries with OHC could negatively impact community clinics and health centers as the medical home for these patients with private, commercial, or Medicare health plan coverage. While more detailed information is needed, LCHC opposes any proposals that seek to un-insure or reduce access to health services for medically-needy populations.

15. Use "Smart Cards" in Medi-Cal Program (HHS #28)

While LCHC is supportive of finding ways to use technology to enhance access to health, the use of smart card technology as outlined in the CPR raises several concerns. Although fingerprinting is becoming increasingly common in non-health settings, there are concerns about using it to validate the provider and beneficiary at every visit. For children and elders in immigrant families, this requirement would generate fear as immigrant parents/caretakers may need to provide their and household members fingerprints for their children or elders to receive health care services. Based on previous experiences, fear and mistrust in the immigrant community can cause patients to not access needed health care.

There are also concerns about who would have access to the data contained on the smart cards and what safeguards would be in place to protect privacy. The Health Insurance Portability and Accountability Act outlines some privacy protections for personal health information, but any perception that the government may utilize this data in an inappropriate manner could serve as a disincentive for eligible patients to sign-up for Medi-Cal due to privacy concerns.

Although the smart card technology could potentially provide benefits to the beneficiary, none of these are specifically addressed in the CPR proposal. There is some discussion about the potential to use smart cards to store food stamps and cash assistance but no discussion as to whether or how the state would implement such an approach. Likewise, the smart card has the potential to allow beneficiaries to have their health information when they visit different providers, but it is unclear whether the state would pursue this approach and how providers would access the information.